

December 22, 2006

Dennis Smith
Director, Centers for Medicaid and State Operations
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Mr. Smith:

As Secretary of the Executive Office of Health and Human Services for the Commonwealth of Massachusetts, it is my pleasure to submit to the Centers for Medicare and Medicaid Services (CMS) an application for a new Massachusetts Section 1115 Demonstration Project, entitled Community First: A Proposal for Preventing or Delaying Nursing Facility Admission (Community First 1115 Demonstration). This application is a major milestone in the Commonwealth's Community First policy, which was established in 2003. Community First is an overarching policy manifested in various activities designed to prevent or delay admission to, or facilitate discharge from, nursing facilities by making community-based supports available to targeted elders and adults with disabilities.

Submission of this Demonstration application also complies with a state legislative mandate to file with CMS a Section 1115 waiver to expand financial income and asset rules for certain populations in need of long term care, prescribed in Chapter 211 of the Acts of 2006, *An Act Relative to Choice of Long Term Care* (the Act). The Act and this Demonstration request represent nearly three years of collaborative effort among state officials, providers and stakeholders to reform the long term care delivery system in Massachusetts and to make our Community First policy a reality.

CMS approval of this application also will allow Massachusetts to test the validity of several design features of the proposed Demonstration. This includes a diagnosis-based clinical risk score that identifies for early access to community-based supports individuals who are not yet at a nursing facility level of care but who are on a trajectory into a nursing facility within 9-12 months. The Demonstration also will promote a more flexible delivery system through a consumer self-direction option for certain community-based supports for individuals living in the community. This approach will use individual

budgets, support brokers and fiscal intermediaries, where necessary, to promote independence and more efficient and effective care.

We look forward to the opportunity to work closely with CMS and our stakeholders during the Demonstration application review period. We appreciate your support as we seek to reform the Commonwealth's long term care system.

Sincerely,

Timothy Murphy
Secretary

CC: Gale Arden, Director, Disabled & Elderly Health Programs Group, CMS
Richard McGreal, Associate Regional Administrator, CMS Region 1
Nancy Grano, CMS Region 1
Beth Waldman, Medicaid Director